

**BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DIVISION OF MEDICAL QUALITY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation)
Against:)
)
REYNALDO B. CASTILLO, M.D.)
Physician & Surgeon Cert. No. A-39948)
)
 Respondent)
_____)

No. 06-97-80757

DECISION

The attached Stipulation Settlement and Disciplinary Order in case number 06-97-80757 is hereby adopted by the Division of Medical Quality of the Medical Board of California as its decision in the above entitled matter.

This Decision shall become effective at 5:00 p.m. on February 7, 1999

It is so Ordered January 7, 1999

DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA

By Klea Bertakis
KLEA BERTAKIS, M.D.
Panel A

DANIEL E. LUNGREN, Attorney General
of the State of California
CARLOS RAMIREZ (State Bar No. 89831)
Deputy Attorney General
California Department of Justice
300 South Spring Street, Suite 5212
Los Angeles, California 90013-1233
Telephone: (213) 897-6924

Attorneys for Complainant

**BEFORE THE
DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation)	Case No. 06-97-80757
Against:)	
)	OAH No. L-1998-080066
REYNALDO B. CASTILLO, M.D.)	STIPULATED SETTLEMENT
5153 Mt. Helena Avenue)	AND
Los Angeles, California 90041)	DISCIPLINARY ORDER
)	
Physician's and Surgeon's)	
Certificate No. A-39948,)	
)	
)	
Respondent.)	

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-entitled proceedings that the following matters are true:

1. An Accusation in case number 06-97-80757 was filed with the Division of Medical Quality, of the Medical Board of California Department of Consumer Affairs (the "Division") on June 5, 1998, and is currently pending against Reynaldo B. Castillo, M.D. (the "respondent").

/ / /

1 2. The Accusation, together with all statutorily
2 required documents, was duly served on the respondent on or about
3 June 5, 1998, and respondent filed a timely Notice of Defense
4 contesting the Accusation. A copy of Accusation No. 06-97-80757
5 is attached as Exhibit "A" and hereby incorporated by reference
6 as if fully set forth.

7 3. Complainant, Ron Joseph, is the Executive Director
8 of the Medical Board of California and brought this action solely
9 in his official capacity. The Complainant is represented by the
10 Attorney General of California, Daniel E. Lungren, by and through
11 Deputy Attorney General Carlos Ramirez.

12 4. At all times relevant herein, respondent has been
13 licensed by the Medical Board of California under Physician's and
14 Surgeon's Certificate No. A-39948.

15 5. Respondent is represented in this matter by Rosa
16 M. Mosley, Attorney at Law, whose mailing address is P.O. Box
17 2347, Chino, California 91708-2347.

18 6. Respondent has fully read and discussed the
19 charges contained in Accusation Number 06-97-80757. Respondent
20 has been fully advised regarding his legal rights and the effects
21 of this Stipulated Settlement and Disciplinary Order.

22 7. Respondent understands the nature of the charges
23 alleged in the Accusation and that, if proven at hearing, the
24 charges and allegations would constitute cause for imposing
25 discipline upon his Physician's and Surgeon's Certificate.
26 Respondent is fully aware of his right to a hearing on the
27 charges contained in the Accusation, his right to confront and

1 cross-examine witnesses against him, his right to the use of
2 subpoenas to compel the attendance of witnesses and the
3 production of documents in both defense and mitigation of the
4 charges, his right to reconsideration, court review and any and
5 all other rights accorded by the California Administrative
6 Procedure Act and other applicable laws.

7 8. Respondent knowingly, voluntarily and irrevocably
8 waives and gives up each of these rights.

9 9. Respondent admits the truth of each and every
10 allegation of the Accusation No. 06-97-80757, and agrees that
11 respondent has thereby subjected his Physician's and Surgeon's
12 Certificate to disciplinary action. Respondent agrees to be
13 bound by the Division's Disciplinary Order as set forth below.

14 10. The admissions made by respondent herein are for
15 the purpose of this proceeding and any other proceedings in which
16 the Division of Medical Quality, Medical Board of California, or
17 other professional licensing agency is involved, and shall not be
18 admissible in any other criminal or civil proceedings.

19 11. Based on the foregoing admissions and stipulated
20 matters, the parties agree that the Division shall, without
21 further notice or formal proceeding, issue and enter the
22 following order:

23
24 **DISCIPLINARY ORDER**

25 **IT IS HEREBY ORDERED** that Physician's and Surgeon's
26 Certificate number A-39948 issued to Reynaldo B. Castillo, M.D.,
27 is revoked. However, the revocation is stayed and respondent is

1 placed on probation for three years on the following terms and
2 conditions. Within 15 days after the effective date of this
3 decision the respondent shall provide the Division, or its
4 designee, proof of service that respondent has served a true copy
5 of this decision on the Chief of Staff or the Chief Executive
6 Officer at every hospital where privileges or membership are
7 extended to respondent or where respondent is employed to
8 practice medicine and on the Chief Executive Officer at every
9 insurance carrier where malpractice insurance coverage is
10 extended to respondent.

11 1. COMMUNITY SERVICE - FREE SERVICES Within sixty (60)
12 days of the effective date of this decision, respondent shall
13 submit to the Division or its designee for its prior approval a
14 community service program in which during the period of probation
15 respondent shall provide free medical services on a regular basis
16 to a community or charitable facility or agency for at least
17 eight (8) hours a month.

18 2. ETHICS COURSE Within sixty (60) days of the
19 effective date of this decision, respondent shall enroll in a
20 course in Ethics approved in advance by the Division or its
21 designee, and shall successfully complete the course during the
22 first year of probation.

23 3. MONITORING Within thirty (30) days of the
24 effective date of this decision, respondent shall submit to the
25 Division or its designee for its prior approval a plan of
26 practice in which respondent's practice shall be monitored by
27 another physician in respondent's field of practice, who shall

1 provide periodic reports to the Division or its designee.

2 If the monitor resigns or is no longer available,
3 respondent shall, within fifteen (15) days, move to have a new
4 monitor appointed, through nomination by respondent and approval
5 by the Division or its designee.

6 4. OUTSIDE BILLING SERVICES Within thirty (30) days of
7 respondent billing patients and third party payers for medical
8 services which he provided, respondent shall submit to the
9 Division or its designee for its prior approval the name of an
10 outside billing service which will prepare respondent's bills in
11 accordance with the law. The approved billing service shall
12 provide periodic reports to the Division or its designee.

13 If the billing service is replaced by respondent or
14 resigns or is no longer available, respondent shall, within
15 fifteen (15) days, move to have a billing service appointed,
16 through nomination by respondent and approval by the Division or
17 its designee.

18 5. OBEY ALL LAWS Respondent shall obey all federal,
19 state and local laws, all rules governing the practice of
20 medicine in California, and remain in full compliance with any
21 court ordered criminal probation, payments and other orders.

22 6. QUARTERLY REPORTS Respondent shall submit
23 quarterly declarations under penalty of perjury on forms provided
24 by the Division, stating whether there has been compliance with
25 all the conditions of probation.

26 7. PROBATION SURVEILLANCE PROGRAM COMPLIANCE Respondent
27 shall comply with the Division's probation surveillance program.

1 Respondent shall, at all times, keep the Division informed of his
2 business and residence addresses which shall both serve as
3 addresses of record. Changes of such addresses shall be
4 immediately communicated in writing to the Division. Under no
5 circumstances shall a post office box serve as an address of
6 record.

7 Respondent shall also immediately inform the Division,
8 in writing, of any travel to any areas outside the jurisdiction
9 of California which lasts, or is contemplated to last, more than
10 thirty (30) days.

11 8. **INTERVIEW WITH THE DIVISION, ITS DESIGNEE OR ITS DESIGNATED**
12 **PHYSICIAN(S)** Respondent shall appear in person for interviews with
13 the Division, its designee or its designated physician(s) upon
14 request at various intervals and with reasonable notice.

15 9. **TOLLING FOR OUT-OF-STATE PRACTICE, RESIDENCE OR IN-STATE NON-**
16 **PRACTICE** In the event respondent should leave California to
17 reside or to practice outside the State or for any reason should
18 respondent stop practicing medicine in California, respondent
19 shall notify the Division or its designee in writing within ten
20 (10) days of the dates of departure and return or the dates of
21 non-practice within California. Non-practice is defined as any
22 period of time exceeding thirty (30) days in which respondent is
23 not engaging in any activities defined in Sections 2051 and 2052
24 of the Business and Professions Code. All time spent in an
25 intensive training program approved by the Division or its
26 designee shall be considered as time spent in the practice of
27 medicine. Periods of temporary or permanent residence or

1 practice outside California or of non-practice within California,
2 as defined in this condition, will not apply to the reduction of
3 the probationary period.

4 10. COMPLETION OF PROBATION Upon successful completion
5 of probation, respondent's certificate shall be fully restored.

6 11. VIOLATION OF PROBATION If respondent violates
7 probation in any respect, the Division, after giving respondent
8 notice and the opportunity to be heard, may revoke probation and
9 carry out the disciplinary order that was stayed. If an
10 accusation or petition to revoke probation is filed against
11 respondent during probation, the Division shall have continuing
12 jurisdiction until the matter is final, and the period of
13 probation shall be extended until the matter is final.

14 12. COST RECOVERY The respondent is hereby ordered
15 to reimburse the Division the amount of \$1,100 within one hundred
16 and eighty (180) days of the effective date of this decision for
17 its investigative and prosecution costs. Failure to reimburse
18 the Division's cost of investigation and prosecution shall
19 constitute a violation of the probation order, unless the
20 Division agrees in writing to payment by an installment plan
21 because of financial hardship. The filing of bankruptcy by the
22 respondent shall not relieve the respondent of his responsibility
23 to reimburse the Division for its investigative and prosecution
24 costs.

25 13. PROBATION COSTS Respondent shall pay the costs
26 associated with probation monitoring each and every year of
27 probation, which are currently set at \$ 2304.00, but may be

1 adjusted on an annual basis. Such costs shall be payable to the
2 Division of Medical Quality and delivered to the designated
3 probation surveillance monitor at the beginning of each calendar
4 year. Failure to pay costs within 30 days of the due date shall
5 constitute a violation of probation.

6 14. LICENSE SURRENDER Following the effective date
7 of this decision, if respondent ceases practicing due to
8 retirement, health reasons or is otherwise unable to satisfy the
9 terms and conditions of probation, respondent may voluntarily
10 tender his certificate to the Board. The Division reserves the
11 right to evaluate the respondent's request and to exercise its
12 discretion whether to grant the request, or to take any other
13 action deemed appropriate and reasonable under the circumstances.
14 Upon formal acceptance of the tendered license, respondent will
15 not longer be subject to the terms and conditions of probation.

16 17 CONTINGENCY

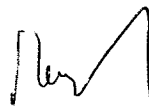
18 This stipulation shall be subject to the approval of
19 the Division of Medical Quality. Respondent understands and
20 agrees that Board staff and counsel for complainant may
21 communicate directly with the Division regarding this stipulation
22 and settlement, without notice to or participation by respondent
23 or his counsel. If the Division fails to adopt this stipulation
24 as its Order, the stipulation shall be of no force or effect, it
25 shall be inadmissible in any legal action between the parties,
26 and the Division shall not be disqualified from further action in
27 this matter by virtue of its consideration of this stipulation.

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ACCEPTANCE

I have read the above Stipulated Settlement and Disciplinary Order. I fully understand the terms and conditions and other matters contained therein. I understand the effect this Stipulated Settlement and Disciplinary Order will have on my Physician's and Surgeon's Certificate, and agree to be bound thereby. I enter this stipulation freely, knowingly, intelligently and voluntarily.

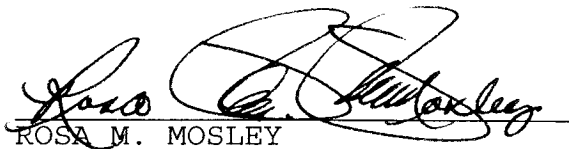
DATED: 10/12/98.



REYNALDO B. CASTILLO, M.D.
Respondent

I have read and fully discussed the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order with respondent Reynaldo B. Castillo, M.D., and approve of its form and content.

DATED: 10-12-98.



ROSA M. MOSLEY
Attorney for Respondent

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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for the consideration of the Division of Medical Quality, Medical Board of California Department of Consumer Affairs.

DATED: 10/16/98.

DANIEL E. LUNGREN, Attorney General
of the State of California



CARLOS RAMIREZ
Deputy Attorney General

Attorneys for Complainant

Exhibit: Accusation
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EXHIBIT A

Accusation No. 18-97-73741

1 DANIEL E. LUNGREN, Attorney General
of the State of California
2 CARLOS RAMIREZ (State Bar No. 89831)
Deputy Attorney General
3 California Department of Justice
300 South Spring Street, Suite 5212
4 Los Angeles, California 90013-1233
Telephone: (213) 897-6924

5 Attorneys for Complainant

FILED
STATE OF CALIFORNIA
MEDICAL BOARD OF CALIFORNIA
SACRAMENTO June 5 19 98
BY Hattie Johnson ANALYST

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BEFORE THE
DIVISION OF MEDICAL QUALITY
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation) Case No. 06-97-80757
Against:)

REYNALDO B. CASTILLO, M.D.) ACCUSATION
5153 Mt. Helena Avenue)
Los Angeles, California 90041)
Physician and Surgeon's Certificate)
No. A39948,)
Respondent.)

The Complainant alleges:

PARTIES

1. Ron Joseph ("Complainant") brings this accusation
solely in his official capacity as the Executive Director of the
Medical Board of California (hereinafter the "Board").

2. On or about June 24, 1983, Physician and Surgeon's
Certificate No. A39948 was issued by the Board to Reynaldo B.
Castillo, M.D. (hereinafter "respondent"). At all times relevant
to the charges brought herein, this license has been in full force
and effect. Unless renewed, it will expire on October 31, 1998.

JURISDICTION

3. This accusation is brought before the Division of Medical Quality of the Medical Board of California, Department of Consumer Affairs (hereinafter the "Division"), under the authority of the following sections of the Business and Professions Code (hereinafter "Code"):

A. Section 2227 of the Code provides that a licensee who is found guilty under the Medical Practice Act may have his license revoked, suspended for a period not to exceed one year, placed on probation and required to pay the costs of probation monitoring, or such other action taken in relation to discipline as the Division deems proper.

B. Section 2234 of the Code provides that unprofessional conduct includes, but is not limited to, the following:

(a) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision of this chapter.

(b) Gross negligence.

(c) Repeated negligent acts.

(d) Incompetence.

(e) The commission of any act involving dishonesty or corruption which is substantially related to the qualifications, functions, or duties of a physician and surgeon.

(f) Any action or conduct which would have warranted the denial of a certificate.

1 C. Section 2236 of the Code provides that:

2 (a) The conviction of any offense substantially related
3 to the qualifications, functions, or duties of a
4 physician and surgeon constitutes unprofessional
5 conduct. . . . The record of conviction shall be
6 conclusive evidence only of the fact that the conviction
7 occurred.

8

9 (c) The division may inquire into the
10 circumstances surrounding the commission of a crime in
11 order to fix the degree of discipline or to determine if
12 such conviction is of an offense substantially related to
13 the qualifications, functions, or duties of a physician
14 and surgeon.

15 (d) A plea or verdict of guilty or a conviction
16 following a plea of nolo contendere is deemed to be a
17 conviction within the meaning of this section. . .

18 D. Section 810, subdivision (a)(1), of the Code
19 provides that it shall be unprofessional conduct and grounds
20 for disciplinary action, including suspension or revocation of
21 a license or certificate, for a health care professional to
22 knowingly present or cause to be presented any false or
23 fraudulent claim for the payment of a loss under a contract of
24 insurance.

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1 FIRST CAUSE FOR DISCIPLINE

2 (Conviction of a Crime)

3 4. Respondent is subject to disciplinary action under
4 sections 2234 and 2236 of the Code in that he has been convicted of
5 a crime which is substantially related to the qualifications,
6 functions, or duties of a physician and surgeon. The circumstances
7 are as follows:

8 A. On or about September 3, 1997, respondent was
9 convicted by plea of nolo contendere to one count of a
10 violation of Welfare and Institutions Code section 14107
11 (presenting for payment false or fraudulent Medi-Cal claims),
12 in case number NA033806 of the Municipal Court for the Long
13 Beach Judicial District, entitled, "The People of the State of
14 California v. Reynaldo Castillo."

15 B. On or about September 1, 1994, Queen City
16 Medical Clinic ("the clinic") opened for business in Long
17 Beach. In its first month of operation, it submitted billings
18 for Medi-Cal services in the amount of over \$246,000. The
19 billings included over 1,000 patient visits, and over 600
20 hours of services. The clinic was paid over \$63,000 for these
21 alleged services. Respondent was the sole medical
22 practitioner referenced in the submitted billings.

23 C. At the time the clinic began operation, and
24 throughout September 1994, respondent was listed on the
25 business license as the owner of the clinic. In addition, his
26 signature is found on several official documents, including
27 but not limited to the clinic's business license application,

1 fictitious name statement, Medi-Cal provider application, and
2 bank account card.

3 D. In an interview with investigators, respondent
4 denied being the owner of the clinic, and claimed instead to
5 be only an employee; however, respondent did admit signing the
6 aforementioned documents. Respondent claimed that his
7 employment at the clinic lasted for only one month, and that
8 he left the clinic at the end of that month. Respondent
9 further claimed that while employed by the clinic he worked
10 approximately 6 hours a day Monday through Friday, and an
11 additional 3 hours on one or two Saturdays. Respondent
12 estimated he treated approximately 25 to 30 patients a day
13 during the week, and an additional 10 to 12 patients a day on
14 the one or two Saturdays.

15 E. Respondent's claims as to his hours at the
16 clinic and how many patients he treated per day are in
17 conflict with the billings submitted to Medi-Cal, which
18 reflect treatment of 40 to 50 patients a day during the week.
19 However, neither respondent's claims nor the submitted
20 billings are correct; in fact, the clinic had few if any
21 patients during September 1994, and the majority of the
22 billings submitted for Medi-Cal reimbursement were fraudulent.

23 F. As a result of the foregoing, respondent was
24 charged with violations of the law as more particularly set
25 forth above in subparagraph 4(A).

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1 PRAYER

2 **WHEREFORE**, the complainant requests that a hearing be
3 held on the matters herein alleged, and that following the hearing,
4 the Division issue a decision:


5 1. Revoking or suspending Physician and Surgeon's
6 Certificate Number A39948, heretofore issued to respondent Reynaldo
7 B. Castillo, M.D.;

8 2. Revoking, suspending or denying approval of
9 respondent's authority to supervise physician's assistants,
10 pursuant to section 3527 of the Code;

11 3. Ordering respondent to pay the Division the
12 reasonable costs of the investigation and enforcement of this case
13 and, if placed on probation, the costs of probation monitoring;

14 4. Taking such other and further action as the Division
15 deems necessary and proper.

16 DATED: June 5, 1998.

17
18 
19 Douglas Lane Director
20 for
21 Ron Joseph
22 Executive Director
23 Medical Board of California
24 Department of Consumer Affairs
25 State of California

26 Complainant
27

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